

## **980 - PERFORMANCE IMPROVEMENT PROJECTS**

EFFECTIVE DATES: 10/01/94, 10/01/17, 10/01/18, 02/01/20, 10/01/21

APPROVAL DATES: 10/01/97, 10/01/01, 08/13/03, 04/01/05, 02/01/07, 10/01/08, 10/01/15,  
07/01/16, 08/02/17, 04/19/18, 11/07/19, 08/12/21

### **I. PURPOSE**

This Policy applies to ACC, ALTCS E/PD, DCS/Comprehensive Health Plan (CHP), DES/DDD (DDD), and RBHA Contractors. This Policy specifies the purpose, design, implementation, and reporting of AHCCCS-mandated and Contractor self-selected Performance Improvement Projects (PIPs).

### **II. DEFINITIONS**

For purposes of this Policy:

<b>BASELINE DATA</b>	Data collected at the beginning of a Performance Improvement Project that is used as a starting point for measurement and the basis for comparison with subsequent remeasurement(s) in demonstrating significant and sustained improvement.
<b>BENCHMARK</b>	The process of comparing a practice's performance with an external standard to motivate engagement in quality improvement efforts and understand where performance falls in comparison to others. Benchmarks may be generated from similar organizations, quality collaboratives, and authoritative bodies.
<b>GRIEVANCE</b>	A member's expression of dissatisfaction with any matter, other than an adverse benefit determination.
<b>MEASURABLE</b>	The ability to determine definitively whether or not a quantifiable objective has been met, or whether progress has been made toward a positive outcome.
<b>METHODOLOGY</b>	The planned documented process, steps, activities, or actions taken by a Contractor to achieve a goal or objective, or to progress towards a positive outcome.
<b>MONITORING</b>	The process of auditing, observing, evaluating, analyzing, and conducting follow-up activities, and documenting results via desktop or on-site review.

<b>OBJECTIVE</b>	A measurable step, generally one of a series of progressive steps, to achieve a goal.
<b>OUTCOMES</b>	Changes in patient health, functional status, satisfaction, or goal achievement that result from health care or supportive services [42 CFR 438.320].
<b>PERFORMANCE IMPROVEMENT PROJECT (PIP)</b>	A planned process of data gathering, evaluation, and analysis to determine interventions or activities that are projected to have a positive outcome. A PIP includes measuring the impact of the interventions or activities toward improving the quality of care and service delivery.
<b>PERFORMANCE IMPROVEMENT/QUALITY IMPROVEMENT</b>	The continuous study and improvement of processes with the intent to better services or outcomes, and prevent or decrease the likelihood of problems, by identifying areas of opportunity and testing new approaches to fix underlying causes of persistent/systemic problems or barriers to improvement.
<b>PLAN-DO-STUDY-ACT (PDSA) CYCLE</b>	A scientific method for testing a change or intervention, designed to result in improvement in a specific area. The cycle is completed by planning the change/intervention, trying it, observing the results, and acting on what is learned. When these steps are conducted over a relatively short time period (e.g., over days, weeks, months), the approach is known as Rapid Cycle Improvement.
<b>PLAN-DO-STUDY-ACT (PDSA) METHOD</b>	A four step model to test a change that is implemented. Going through the prescribed four steps utilizing one or more PDSA Cycles guides the thinking process into breaking down the task into steps and then evaluating the outcome, improving on it, and testing again.
<b>QUALITY</b>	As specified in 42 CFR 438.320, it pertains to external quality review, means the degree to which an MCO increases the likelihood of desired outcomes of its members through: <ol style="list-style-type: none"><li>1. Its structural and operational characteristics,</li><li>2. The provision of services that are consistent with current professional, evidenced-based-knowledge, and</li><li>3. Interventions for performance.</li></ol>

**STATISTICALLY  
SIGNIFICANT**

A judgment of whether a result occurs because of chance. When a result is statistically significant, it means that it is unlikely that the result occurs because of chance or random fluctuation.

There is a cutoff for determining statistical significance. This cutoff is the significance level. If the probability of a result (the significance value) is less than the cutoff (the significance level), the result is judged to be statistically significant.

**VALIDATION**

The review of information, data, and procedures to determine the extent to which they are accurate, reliable, free from bias and in accord with standards for data collection and analysis.

Additional definitions are located on the AHCCCS website at: [AHCCCS Contract and Policy Dictionary](#).

**III. POLICY**

AHCCCS mandates that the Contractor participate in selected AHCCCS-mandated and Contractor self-selected PIPs. AHCCCS-mandated PIP topics are selected through analysis of internal and external data/trends and may include Contractor input. Topics take into account comprehensive aspects of member needs, care, and services for a broad spectrum of members or a focused subset of the population, including those members with special health care needs such as members receiving Long Term Care Services and Supports (LTSS) [42 CFR 438.330]. AHCCCS may also mandate that a PIP be conducted by a Contractor or group of Contractors, according to standardized methodology developed by AHCCCS. The Contractor shall identify and implement additional PIPs based on self-identified opportunities for improvement, as supported by root cause analyses, external and internal data, surveillance of trends, or other information available to Contractor.

The Centers for Medicare and Medicaid Services (CMS) may, in consultation with States and other stakeholders, specify standardized performance measures and topics for PIPs for inclusion alongside State-specified performance measures and PIP topics in State Contracts [42 CFR 438.330(a)(2)]. The Contractor is required to participate in performance measures and PIPs mandated by CMS.

**A. PERFORMANCE IMPROVEMENT PROJECT DESIGN**

The Contractor is required to conduct PIPs, including any PIP(s) required by CMS, that focus on both clinical and non-clinical areas. PIPs are developed according to 42 CFR 438.330.

1. The protocol for developing and conducting AHCCCS-mandated PIPs is found in Attachment A.
2. The Contractor shall also adhere to (align with) the protocol specified in Attachment A when selecting, designing, developing, and implementing additional self-selected PIPs.
3. In addition to AHCCCS-mandated PIPs, the Contractor shall identify and implement clinical and non-clinical focused PIPs, meaningful to the population served, based on self-identified opportunities for improvement, as supported by root cause analyses, external/internal data, surveillance of trends, or other information available to the Contractor.
4. The Contractor shall conduct PIPs, including any PIPs required by CMS, that focus on both clinical and non-clinical areas [42 CFR 438.330(d)(1)]:
  - a. Clinical focus topics may include, but are not limited to:
    - i. Primary, secondary, and/or tertiary prevention of acute conditions,
    - ii. Primary, secondary, and/or tertiary prevention of chronic conditions,
    - iii. Primary, secondary, and/or tertiary prevention of behavioral health conditions,
    - iv. Care of acute conditions,
    - v. Care of chronic conditions,
    - vi. Care of behavioral health conditions, and
    - vii. Continuity and coordination of care.
  - b. Non-clinical focus topics may include, but are not limited to:
    - i. Availability, accessibility, and adequacy of Contractor’s service delivery system,
    - ii. Cultural competency of services,
    - iii. Interpersonal aspects of care (e.g., Quality of provider/member encounters), and
    - iv. Appeals, Grievances, and other complaints.
5. PIPs (AHCCCS-mandated and Contractor self-selected) are designed to correct significant system problems and/or achieve significant improvement in health outcomes and/or member satisfaction, that is sustained over time, through the:
  - a. Measurement of performance using objective quality indicators,
  - b. Implementation of interventions to achieve improvement in access to and quality of care,
  - c. Evaluation of the effectiveness of the interventions based on indicators collected as part of the PIP, and
  - d. Planning and initiation of activities for increasing or sustaining improvement [42 CFR 438.330(d)(2)].

6. The Contractor shall utilize the PDSA Method to test changes (interventions) quickly and refine them, as necessary.
  - a. It is expected that the Contractor shall utilize several PDSA Cycles within the PIP lifespan (It is expected that PDSA Cycles shall be implemented in as short a time frame as practical, based on the PIP topic), and
  - b. All PDSA Cycles conducted as part of the PIP are to be included within the Contractor’s PIP Report submissions.
    - i. The PDSA Cycle consists of the following steps:
      - a) Plan: Plan the change(s) or intervention(s), including a plan for collecting data. State the objective(s) of the intervention(s),
      - b) Do: Try out the intervention(s) and document any problems or unexpected results,
      - c) Study: Analyze the data and study the results. Compare the data to predictions and summarize what was learned,
      - d) Act: Refine the change(s) or intervention(s), based on what was learned, and prepare a plan for retesting the intervention(s), and
      - e) Repeat: Continue the cycle as new data becomes available until improvement is achieved.
    - ii. For more information, refer to the Agency for Healthcare Research and Quality website at [www.ahrq.gov](http://www.ahrq.gov).

**B. PERFORMANCE IMPROVEMENT PROJECT TIMEFRAMES**

1. AHCCCS-Mandated PIPs
  - a. AHCCCS-mandated PIPs typically begin on a date that corresponds with the calendar year (Contract Year utilized for CYE 2019 and earlier reporting). Baseline data is collected and analyzed at the beginning of the PIP. During the Intervention Year, the Contractor shall implement interventions to improve performance based on an evaluation of barriers to care/utilization of services and evidence-based approaches to improving performance. Interventions shall consider any unique factors such as the Contractor’s membership, provider network, and geographic area(s) served,
  - b. Annual measurements (Remeasurement Year 1, and Remeasurement Year 2, as well as any subsequent Remeasurement Years necessary for the Contractor to meet the required criteria for PIP closure) shall be utilized to evaluate Contractor performance; however, AHCCCS may require interim measurements, depending on the resources required to collect and analyze data, and
  - c. A Contractor’s participation in the PIP shall continue until the Contractor demonstrates significant and sustained improvement, as outlined below, or as directed by AHCCCS.

2. Contractor Self-Selected PIPs
  - a. Contractor self-selected PIP timelines may vary, and
  - b. A Contractor’s participation in the PIP shall continue until the Contractor demonstrates significant and sustained improvement, as outlined below, or as approved by AHCCCS (when significant and sustained improvement has not been demonstrated).

**C. DATA COLLECTION METHODOLOGY**

1. Evaluation of Contractor performance on the selected PIP indicators shall be based on systematic, ongoing collection and analysis of accurate, valid and reliable data, as collected and reported by AHCCCS or as validated by the AHCCCS External Quality Review Organization (EQRO). Contractor methodology (including project indicators, procedures, and timelines) shall align with the guidance and direction provided for all AHCCCS-mandated PIPs.
2. The Contractor shall include rates and results, used as the basis for analysis (both quantitative and qualitative) and selection/modification of interventions, within the Contractor’s annual PIP Report submissions.

**D. INTER-RATER RELIABILITY**

PIP indicators may be based on nationally standardized performance measures calculated and reported in alignment with AHCCCS Contract; however, the Contractor may be directed to collect all or some of the data used to measure PIP indicator performance which may include measures that are not based on nationally standardized performance measures as well as performance measures not included within AHCCCS Contract. In such cases, the Contractor shall:

1. Submit specific documentation to verify that indicator criteria were met in accordance with AHCCCS instruction.
2. Have qualified personnel collect data.
3. Ensure inter-rater reliability if more than one person is collecting and entering data.
  - a. The Contractor shall ensure that data collected from multiple parties/individuals for PIPs indicators is consistent and comparable through an implemented inter-rater reliability process. Contractor’s documented inter-rater reliability process shall include:
    - i. A detailed description of Contractor’s methodology for conducting inter-rater reliability including initial training (and retraining, if applicable), oversight and validation of data collection, as well as other activities deemed applicable,
    - ii. The required minimum score that each individual shall obtain in order to continue participation in the data collection and reporting process,

- iii. A mechanism for evaluating individual accuracy scores (and any subsequent accuracy scores, if applicable), and
  - iv. Actions taken should an individual not meet the established accuracy score.
- b. In addition, the Contractor shall monitor and track the inter-rater reliability accuracy scores and associated follow up activities. The Contractor shall provide evidence of implementation of the inter-rater reliability process as well as the associated monitoring upon AHCCCS request.

**E. MEASUREMENT OF SIGNIFICANT IMPROVEMENT**

1. The Contractor is expected to implement interventions to achieve and sustain statistically significant improvement, followed by sustained improvement for one consecutive year, for each PIP indicator.
2. The Contractor shall initiate interventions that result in significant improvement, sustained over time, in its performance for the PIP indicators being measured. Improvement shall be evidenced in repeated measurements of the PIP indicators specified for each active PIP.
3. A Contractor shall have demonstrated significant improvement when the improvement in the PIP indicator rate(s) from one measurement year to the next measurement year is statistically significant. For more information on statistical significance, refer to the Watson Analytics guide at [www.ibm.com](http://www.ibm.com).
4. The Contractor shall have demonstrated sustained improvement when it:
  - a. Establishes how the significant improvement can be reasonably attributable to interventions implemented by the Contractor (i.e., improvement occurred due to the project and its interventions, not another unrelated reason), and
  - b. Maintains, or increases, the improvements in performance for at least one year after the significant improvement in performance is first achieved.

**F. PERFORMANCE IMPROVEMENT PROJECTS REPORTING REQUIREMENTS**

The Contractor shall include annual measurements/rates and results, used as the basis for analysis (both quantitative and qualitative) and selection/modification of interventions, within the Contractor's annual PIP Report submissions.

The Contractor shall ensure the inclusion of subpopulation data and disparity analyses within its reporting, with the identification of targeted interventions to be implemented specific to findings, in alignment with the AHCCCS PIP reporting template instructions.

Submitted reports shall contain line of business specific data, reflective of the Contractor's performance during the current reporting period and previous reporting periods (as applicable and specified within the associated PIP timeline).

1. AHCCCS-Mandated PIPs
  - a. The Contractor shall submit an annual PIP Report for all AHCCCS-mandated PIPs, as specified in Contract. The Contractor shall utilize the AHCCCS PIP Reporting template, specific to line of business,
  - b. The Contractor shall report annual measurements/rates and results reflective of combined Title XIX and Title XXI populations, as applicable to line of business. In addition, Contractors shall indicate if the interventions are applicable to Title XIX, Title XXI, or both, populations,
  - c. The Contractor shall submit a final PIP Report, as specified in Contract, following the year in which significant and sustained improvement is demonstrated. Significant and sustained improvement is evaluated based on PIP indicator rates that have been validated by AHCCCS' EQRO or considered as the AHCCCS official PIP indicator rates, as specified in Contract and the associated AHCCCS PIP Methodology. The Contractor shall utilize its Remeasurement Year 2 (or subsequent year, if required) PIP Reports to serve as the Contractor's Final PIP Report submission contingent upon the following:
    - i. The Contractor has met the AHCCCS Contract and policy criteria related to significant and sustained improvement to support PIP closure, and
    - ii. The sections required as part of the Final PIP Report have been completed.
  - d. If AHCCCS PIP Checklist requirements are met, AHCCCS shall approve the PIP submission pending:
    - i. Receipt of the final PIP indicator rates, and
    - ii. Confirmation of the Contractor meeting the AHCCCS Contract and policy criteria related to significant and sustained improvement to support PIP closure.
  - e. AHCCCS-Mandated PIPs shall remain open until formal notification of approval for PIP closure from AHCCCS is received by the Contractor.

Note: Resubmission shall be required if the AHCCCS PIP Checklist requirements are not met.

2. Contractor Self-Selected PIPs
  - a. The Contractor shall submit PIP Reports for Contractor self-selected PIP, active during the previous calendar year, as specified in Contract. The Contractor shall utilize the AHCCCS PIP Reporting template, specific to line of business,
  - b. The Contractor shall indicate if measurements/rates and results are reflective of combined Title XIX and Title XXI populations, as applicable to line of business. In addition, the Contractor shall indicate if the interventions are applicable to the Title XIX, Title XXI, or both populations,



- c. The Contractor shall submit a final Contractor self-selected PIP Report, as specified in Contract, following the year in which significant and sustained improvement is demonstrated. Significant and sustained improvement is evaluated based on PIP Indicator rates that have been validated by AHCCCS' EQRO or considered as the AHCCCS official performance measure rates, as specified in Contract. For Contractor self-selected PIPs that are not based on standardized performance measures or reflective of calendar year performance, significant and sustained improvement shall be evaluated based on the Contractor's internally collected and validated data. The Contractor shall utilize its Remeasurement Year two (or subsequent year, if required) PIP Report to serve as the Contractor's Final PIP Report Submission contingent upon the following:
  - i. The Contractor has met AHCCCS Contract and policy criteria related to significant and sustained improvement to support PIP closure, and
  - ii. The sections required as part of the Final PIP Report have been completed.
- d. If the AHCCCS PIP Checklist requirements are met, AHCCCS shall approve the PIP submission pending:
  - i. Receipt of the final PIP indicator rates (final AHCCCS official performance measure rates) in cases where the PIP indicator(s) is based on standardized performance measure(s) and the PIP measurement periods are reflective of calendar year performance, and
  - ii. Confirmation of the Contractor meeting AHCCCS Contract and policy criteria related to significant and sustained improvement to support PIP closure.
- e. Contractor self-selected PIPs shall remain open until the Contractor has met criteria related to significant and sustained improvement to support PIP closure or, in cases where the Contractor has not met criteria related to significant and sustained improvement to support PIP closure, formal notification of approval for PIP closure from AHCCCS is received by the Contractor.

Note: Resubmission shall be required if the AHCCCS PIP Checklist requirements are not met.